



Charles R. Lusk
President and CEO

April 26, 2005

Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20429

RE: Fil-22-2005
Classification of Commercial Credit Exposures

Dear Mr. Feldman:

I started my banking career April 17, 1967. I do not remember a more convoluted proposal than the one listed above. We are supposed to be trying to reduce regulatory burden. This proposal is a major exercise in futility with no gain or benefit.

The present classification system is doing a fine job. The proposed "borrower rating" and "facility rating" are already taken into account under the present system. I am sure, to quote the above, that the present system "has led to differing applications of the current classification system by institutions and agencies". That is known as "judgment calls". This proposed method will not solve this dilemma, and I'm not sure the dilemma needs to be solved. "Judgment" will not be removed with this or any other proposal.

I cannot see where a better estimate of possible and/or actual loss will result from the proposed. Furthermore, all banks will have to completely re-educate their personnel and totally rework our internal risk rating system for commercial loans. We hard code all loans over \$25,000.00 with a risk rating based on the present system. This procedure makes it simple for us and the examiners.

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Page 2

I have never been aware of, or even heard of, any problems which have been fostered by the present system. What is the impetus for change? Please identify this history, i.e. frequency and severity of situations that have arisen to warrant such a change.

At best, this appears to be an academic exercise promoted by someone who is either trying to justify their job or has too much time on their hands. There are numerous issues the regulators need to address other than this.

Sincerely,

A handwritten signature in cursive script, reading "Charles R. Lusk". The signature is fluid and stylized, with the first and last names being more prominent than the middle initial.

Charles R. Lusk
President & CEO

CRL:du